



Fear & Greed Index

Friday, July 21, 2017

The **Fear & Greed Index** readings for **July 21** are shown on the following pages. The overall current score is: **73** – **Greed**. (**Thursday: 76** – **Extreme Greed**)

eResearch Corporation is pleased to provide a reading of CNNMoney's Fear & Greed Index.

Investors are driven by two emotions: fear and greed. Too much fear can sink stocks well below where they should be. When investors get greedy, they can bid up stock prices way too far.

So, what emotion is driving the market now? CNNMoney's Fear & Greed index gives the answer.

CNNMoney looks at 7 Indicators:

- **Market Momentum:** The S&P 500 (**SPX**) versus its 125-day moving average
- **Market Volatility:** The VIX (**VIX**), which measures volatility
- **Safe Haven Demand:** The difference in returns for stocks versus Treasuries
- **Junk Bond Demand:** The spread between yields on investment grade bonds and junk bonds
- **Stock Price Breadth:** The volume of shares trading in stocks on the rise versus those declining
- **Stock Price Strength:** The number of stocks hitting 52-week highs and lows on the New York Stock Exchange
- **Put and Call Options:** The put/call ratio, which compares the trading volume of bullish call options relative to the trading volume of bearish put options

Each Indicator is analyzed to see how far it has veered from its average relative to how far it normally veers. Each Indicator is rated on a scale from 0 - 100. The higher the reading, the greedier investors are being; 50 is neutral.

Then all the Indicators are put together, equally weighted, for a final index reading.

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Fear & Greed Index

Key:

<u>Status</u>	<u>Reading</u>
Extreme Fear	0-25
Fear	26-44
Neutral	45-55
Greed	56-74
Extreme Greed	75-100

Readings: Index (see 3-year Graph at end)

<u>Date</u>	<u>Status</u>	<u>Reading</u>	<u>Week Ago</u>	<u>Month Ago</u>	<u>Year Ago</u>
14-Jun-17	Neutral	N-52	N-55	G-64	N-50
15-Jun-17	Neutral	N-52	N-55	G-66	N-51
16-Jun-17	Neutral	N-50	N-54	N-45	N-50
19-Jun-17	Greed	G-57	N-55	N-49	N-53
20-Jun-17	Neutral	N-48	N-55	N-49	G-62
21-Jun-17	Fear	F-42	N-52	N-50	G-66
22-Jun-17	Neutral	N-50	N-52	N-49	G-57
23-Jun-17	Neutral	N-52	N-50	N-54	EG-75
26-Jun-17	Neutral	N-53	G-57	G-58	F-44
27-Jun-17	Neutral	N-48	N-48	G-58	F-38
28-Jun-17	Greed	G-63	F-42	G-58	N-46
29-Jun-17	Neutral	N-47	N-50	N-53	G-58
30-Jun-17	Neutral	N-47	N-50	N-53	G-58
5-Jul-17	Greed	G-57	G-60	G-58	G-68
6-Jul-17	Fear	F-44	N-47	N-55	G-69
7-Jul-17	Neutral	N-49	N-49	N-55	G-69
10-Jul-17	Neutral	N-46	N-52	N-54	EG-76
11-Jul-17	Fear	F-41	N-52	N-54	EG-81
12-Jul-17	Neutral	N-47	G-57	N-55	EG-87
13-Jul-17	Neutral	N-54	F-44	N-55	EG-86
14-Jul-17	Greed	G-64	N-49	N-52	EG-90
17-Jul-17	Greed	G-67	N-46	N-50	EG-89
21-Jul-17	Greed	G-73	G-64	F-42	EG-86

<continued>



Readings: Indicators

<u>Date</u>	<u>Market Momentum</u>	<u>Market Volatility</u>	<u>Safe Haven Demand</u>	<u>Junk Bond Demand</u>	<u>Stock Price Breadth</u>	<u>Stock Price Strength</u>	<u>Put & Call Options</u>
14-Jun-17	Ext. Greed	Neutral	Fear	Fear	Neutral	Neutral	Neutral
15-Jun-17	Ext. Greed	Neutral	Ext. Greed	Fear	Neutral	Neutral	Ext. Fear
16-Jun-17	Ext. Greed	Neutral	Greed	Fear	Neutral	Neutral	Ext. Fear
19-Jun-17	Ext. Greed	Neutral	Ext. Greed	Fear	Neutral	Greed	Ext. Fear
20-Jun-17	Ext. Greed	Neutral	Neutral	Fear	Neutral	Neutral	Ext. Fear
21-Jun-17	Ext. Greed	Neutral	Neutral	Ext. Fear	Neutral	Neutral	Ext. Fear
22-Jun-17	Ext. Greed	Neutral	Fear	Ext. Fear	Fear	Neutral	Ext. Greed
23-Jun-17	Ext. Greed	Neutral	Fear	Ext. Fear	Fear	Neutral	Ext. Greed
26-Jun-17	Ext. Greed	Neutral	Fear	Ext. Fear	Neutral	Neutral	Ext. Greed
27-Jun-17	Greed	Neutral	Fear	Ext. Fear	Neutral	Neutral	Ext. Greed
28-Jun-17	Ext. Greed	Neutral	Ext. Greed	Fear	Neutral	Neutral	Ext. Greed
29-Jun-17	Greed	Neutral	Fear	Fear	Neutral	Fear	Ext. Greed
30-Jun-17	Greed	Neutral	Neutral	Fear	Neutral	Fear	Greed
5-Jul-17	Greed	Neutral	Greed	Fear	Greed	Fear	Ext. Greed
6-Jul-17	Neutral	Fear	Neutral	Fear	Neutral	Fear	Neutral
7-Jul-17	Greed	Neutral	Greed	Fear	Neutral	Fear	Greed
10-Jul-17	Greed	Neutral	Greed	Fear	Neutral	Ext. Fear	Fear
11-Jul-17	Greed	Neutral	Greed	Fear	Neutral	Ext. Fear	Ext. Fear
12-Jul-17	Greed	Neutral	Greed	Fear	Greed	Ext. Fear	Ext. Fear
13-Jul-17	Ext. Greed	Neutral	Greed	Greed	Greed	Ext. Fear	Fear
14-Jul-17	Ext. Greed	Neutral	Ext. Greed	Greed	Greed	Fear	Greed
17-Jul-17	Ext. Greed	Neutral	Ext. Greed	Greed	Greed	Fear	Greed
21-Jul-17	Ext. Greed	Neutral	Ext. Greed	Fear	Ext. Greed	Neutral	Ext. Greed

Indicators:

Market Momentum: **Extreme Greed**

The S&P 500 is 3.80% above its 125-day average. This is further above the average than has been typical during the last two years and rapid increases like this often indicate extreme greed.

Market Volatility: **Neutral**

The CBOE Volatility Index (VIX) is at 9.36. This is a neutral reading and indicates that market risks appear low.

Safe Haven Demand: **Extreme Greed**

Stocks have outperformed bonds by 2.10 percentage points during the last 20 trading days. This is close to the strongest performance for stocks relative to bonds in the past two years and indicates investors are rotating into stocks from the relative safety of bonds.



Junk Bond Demand: Fear

Investors in low quality junk bonds are accepting 1.88 percentage points in additional yield over safer investment grade corporate bonds. This spread is higher than what has been typical for the last two years and indicates that investors are risk averse.

Stock Price Breadth: Extreme Greed

The McClellan Volume Summation Index measures advancing and declining volume on the NYSE. During the last month, approximately 8.16% more of each day's volume has traded in advancing issues than in declining issues, pushing this indicator towards the upper end of its range for the last two years.

Stock Price Strength: Neutral

The number of stocks hitting 52-week highs exceeds the number hitting lows but is in the middle of its two-year range and is neutral.

Put and Call Options: Extreme Greed

During the last five trading days, volume in put options has lagged volume in call options by 40.10% as investors make bullish bets in their portfolios. This is among the lowest levels of put buying seen during the last two years, indicating extreme greed on the part of investors.


